

**From:** Adams, Nicholas C.  
**Sent:** Monday, April 18 2016 4:47:43 PM  
**To:** Hoffman, Steven M.; Babalas, Emily D.; Bruno, John; Lipton, Matt I; wrightson, william L.; Lynch, Mark T.; Mike Liberty (libmmg@yahoo.com); gjm@mcm-law.com; Todd Bradley (todd.bradley@mozido.com); Turner, Bob; kevinyim@payease.net; Fred Sum  
**Subject:** Letter to Mozido Board  
**Attachments:** Mozido Board Letter4 18 16.pdf

Please see attached

Nick

18 April 2016

To: Board of Mozido

From: Wellington Management Company LLP

Re: Mozido Restructuring Plan

We are in receipt of your email informing us that today's meeting will not go forward, and agree that we should convene at the earliest possible time to review the options for Mozido.

We would be remiss to not take this time to reiterate a number of points:

1. We understand that the cash levels at Mozido are low, which may impair the ability to make payroll and therefore undermines the viability of the company going forward. We also understand that Mozido is in default on its \$30mm loan from Pioneer. In connection with that loan, Pioneer has foreclosure rights on Mozido's most valuable asset, PayEase. Mozido is also in default on the March 2015 and April 2016 loans from our clients of approximately \$15mm and \$1.1mm, respectively.
2. We have a well-informed view on the current strategic position and value of PayEase as a result of our team's recent trip to China. This value clearly is in jeopardy if the Board does not act quickly to prevent Pioneer from foreclosing and liquidating PayEase. We also believe that Mozido has limited value without PayEase.
3. During our China trip, we met with the management team at Pioneer, including its Chairman. Pioneer indicated that they are expecting a comprehensive restructuring plan or they will move forward with foreclosing on PayEase. We believe the Board must respond immediately to address Pioneer's concerns.
4. We are also expecting Mozido to deliver an appropriate restructuring plan over the next few days to secure the extension of our loans. We are confident that the only other option Mozido has is to find sufficient capital to pay down the Pioneer loan and our clients' loans, and to address Mozido's long term funding needs. We remind you that Wellington's consent will be required for any future incurrence of indebtedness or issuances of equity pursuant to Mozido's Certificate of Incorporation. We expect a comprehensive business plan that aligns Mozido's operations with its cash flow prior to considering any request for our consent.
5. The Board needs to come to terms with questions about Mozido's ability to operate as a going concern in the future.

In conclusion, in our view you have two choices – find cash to take out the Pioneer and Wellington loans, and to continue to fund Mozido's operations, or undertake a complete restructuring of the company. We are prepared to share our views on the critical elements of any plan by Mozido to restructure its operations and finances.

Finally, we remind the Board members of their fiduciary duties to shareholders, including Wellington's clients. We urge you to consult with competent legal and financial advisors to advise you on the full scope of your responsibilities to the company and its shareholders, creditors and employees.

Sincerely,

Nick Adams

Mark Lynch

Will Wrightson

Matt Lipton

Cc:

John Bruno, Counsel

Emily Babalas, Counsel

Steve Hoffman, Counsel